
Indirect Budget Process Description

Introduction	The Indirect Budget process is conducted on an annual basis and includes several steps/activities. Each of these activities is explained below. For process flow and schedule information, refer to Attachment 1A.
Indirect Budget targets	<p>Indirect Budget targets will be consistent with the Laboratory's long-term strategy of increasing the ratio of science and technology staff to support staff and take into consideration the anticipated zero-funding growth in FY97.</p> <p>For General and Administrative (G&A) and Institutional Recharge (which includes Facility Management Recharge) and Group and Division Support, the target for each organization is a dollar amount. Each organization defines its primary products (refer to Attachment 3C), and Laboratory staff are surveyed regarding the value and importance of these products. The Workforce Productivity Project (WPP) Team then uses these survey results and a limited amount of benchmark data to make Indirect Budget recommendations to the Laboratory Director, who establishes the target amounts.</p> <p>For Direct Recharge and Program Office Support, Indirect Budget targets are established as rates. Rate targets are established at the organizational level. The Program Support rate target for each program office is a composite of all Support rates within the organization. Recharge rate targets are a composite of each Recharge rate pool within an organization.</p>
Preliminary funding matrix available	As part of the Indirect Budget process, each organization is asked to prepare a forecast of its total costs (both Direct and Indirect) and a forecast of its total available funding. As input to the funding forecast, each program office commits to providing a preliminary estimate of FY96 funding allocations by division.

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Indirect Budget Process Description, Continued

**Proposed
budgets
submitted**

An Indirect Budget submittal should include work packages for all Indirect-funded (G&A, Organizational Support, and Recharge) activities. For on-going work packages, only the first page of the work package needs to be submitted. Ongoing work packages are defined as those submitted during the FY96 Indirect Budget process whose associated program codes or cost accounts are currently funded.

Note: There is a new requirement to relate all work packages to the appropriate products defined in the product customer survey.

It is anticipated that a number of organizations will submit requirements-case budgets that define the funding necessary to meet all compliance requirements and are greater than target. Each organization is required to identify work package funding at the target funding level. Submittals also should include overall summaries of the anticipated impacts of operating at the target levels.

**Cost funding
forecasts and
staffing plans
submitted**

As indicated above, each division develops an overall forecast of FY97 costs and funding. This forecast is used to determine the organization's supportable staffing level and FY97 staffing plan. The staffing plan submittal must be consistent with the forecast of supportable staff. The Human Resources generalists are responsible for developing the staffing plans based on input from management.

**Review team
recommendations
completed**

A single team of Laboratory Leadership Council (LLC) members reviews the proposed Indirect Budgets for all organizations. The team meets with each division director to gain a better understanding of the key issues, staffing impacts, and anticipated mission impacts associated with operating at target levels. Particular emphasis is being placed on facility management. A subteam integrates the proposed facility management budgets with the needs of Facilities, Safeguards, and Security (FSS) to determine the allocation of the Space Recharge. Additionally, the subteam determines the appropriate amount of facility management costs that should be borne by each of the organizations.
